

Date: January 7, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Director of Transportation

Subject: Light Transit Vehicle (LTV) Conversion

Executive Summary

The City has identified Transit funds available in the amount of \$78,500 for the purpose of converting 10, 2011 model hybrid electric Light Transit Vehicles (LTVs), currently operated by DATA-ACCESS, from hybrid electric powered units to regular gasoline-powered vehicles. These vehicles were purchased in 2011 using federal grant funds. This conversion has become necessary due to major transmission and engine failures stemming from the failure of the hybrid components of the LTVs. Unfortunately, attempts to resolve these issues have been complicated by the hybrid manufacturer filing for bankruptcy resulting in the non-availability of parts needed for all hybrid-related repairs. In order to minimize the continued adverse impact of this issue on daily operations, staff has determined the need to fix the problem as quickly as possible through the conversion of hybrid electric powered units to gasoline-powered vehicles while continuing to pursue reimbursement from the manufacturer.

Recommendation

It is recommended that City Council authorize the City Manager to enter into a contract with First Transit, Inc., to convert 10, 2011 model hybrid electric LTVs, at a cost of \$7,850 per vehicle not to exceed a total of \$78,500.

Background

The City currently owns 10 2011 LTVs, that are operated by DATA-ACCESS. These LTVs have consistently experienced major engine and transmission failures due to failures of the hybrid drive train components, leaving them inoperable for service.

In order to permanently fix the problem, staff has determined that the hybrid components need to be replaced. Unfortunately, the manufacturer and warranty-holder of the hybrid components (Azure Dynamics), has filed for bankruptcy making the repair of the vehicles through the warranty provisions a lengthy and uncertain process. Every effort has been made to work with Azure Dynamics to repair the vehicles. However, given the need to use these vehicles in DATA-ACCESS daily service, it is critical that these vehicles are repaired as soon as possible while work continues in cooperation with City Attorney's office on reimbursement from the manufacturer.

Converting the vehicles will involve removing all of the hybrid components that have caused all 10 vehicles to fail and replacing the entire hybrid system. This includes replacing the

cooling system, the drive shaft, and the front and rear air conditioning with regular gasoline component parts. The conversion will alleviate the strain put on the heating and cooling systems, transmission and the engine.

Issues and Analysis

The City has solicited proposals to convert the LTVs. Specifications for the conversions were written by DATA's maintenance staff. DATA consulted with two interested companies to develop our independent cost estimate. The City released the Request for Proposals on October 18, sending notices to both First Transit and National Bus. City staff held a pre-bid conference on October 25th and only a representative from First Transit attended. On November 18, the City received one bid from First Transit as noted below. City staff has deemed the sole bid responsive, capable, with clear understanding of the scope of work requested by City. Moreover, the First Transit bid price was less than the independent cost estimate.

First Transit Inc.

\$7,850 per vehicle

The City's 2011 model transit vehicles are not eligible for replacement until 2016 under Federal Transit Administration guidelines, which means they will remain in service for another three years. The daily required number of vehicles needed by DATA-ACCESS to operate at maximum efficiency is 47. However, because of the absence of these 10 vehicles the average daily vehicle output has been limited to 37 over the past several months and this situation continues to adversely impact service. The repair of these vehicles is not an option because of the lack of hybrid parts from the manufacturer. In the absence of converting this fleet, DATA-ACCESS will continue to struggle to meet required daily demand.

Alternatives

It is recommended that City Council authorize the City Manager to enter into a contract with First Transit, Inc. to convert 10 2011 model hybrid electric LTVs at a net cost of \$7,850 per vehicle and a total of \$78,500 for the 10 vehicles to be converted.

A second alternative is to not proceed as recommended above in which case DATA-ACCESS will struggle to meet demand, resulting in diminished quality of service. This option is not desirable because it adversely impacts our customers.

Financial Impact

A total of \$78,500 in existing transit funds (5310U051-732300) have been identified and established by staff due to projected savings in other areas. In addition, the City pursues reimbursement for expenses through warranty/bankruptcy action.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by First Transit, Inc. of Cincinnati, Ohio and has determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

No MSDBE or WSDBE goals were set.

WORKFORCE STATISTICS

Workforce statistics for First Transit, Inc. are as follows:

Total Workforce	14,224	
Total Females	4,867	(34%)
Total Males	9,357	(66%)
Black Males	3,287	(23%)
White Males	3,984	(28%)
Other Males	2,086	(15%)
Black Females	2,348	(16%)
White Females	1,659	(12%)
Other Females	860	(6%)

Attachment

Attachment 1 – Service Contract